

# Industrial Rail Service Fund Grant Application Guidelines FY 2008



**INDIANA DEPARTMENT OF TRANSPORTATION**  
*Driving Indiana's Economic Growth*

# Industrial Rail Service Fund Guidelines

## **Background**

The 1982 Indiana Legislature enacted House Enrolled Act No. 1302 establishing the legislation in IC 8-3-1.7 that created the Industrial Rail Service Fund (IRSF). In 1997, the legislature modified the IRSF language to allow grants to be provided to Class II and III railroads. The goal of the program is to assist in the upgrading of Class II & III railroad track conditions to help maintain and increase existing business shipping levels on the rail lines and also to assist with the funding of needed track infrastructure improvements related to specific, significant new business development on the line. More than 18.8 million dollars have been awarded to Indiana railroads through 80 grants since 1999. The IRSF procedure, application and scorecard are posted on the INDOT website annually. They can be accessed by the following link <http://www.in.gov/indot/3585.htm>.

## **Eligibility**

Eligible applicants are limited to Class II and Class III railroads or port authorities. These class designations are set by the Surface Transportation Board (STB) and are based upon annual revenues adjusted for inflation.

## **Eligible Activities**

Grants through the Industrial Rail Service Fund program can be used for the rehabilitation of railroad infrastructure or railroad construction. Examples of project types include bridge deck repair, new ties and ballast and excepted track upgrades. Railroads are limited to a grant award that does not exceed 75% of the total cost of the project. The maximum grant award for a railroad in fiscal year 2008 is \$350,000.00. Port authorities are limited to a grant award not to exceed 20% of the gross sales use tax receipts deposited in the fiscal year before the fiscal year the grant is made. The maximum grant amount available for Port Authorities for FY08 IRSF is \$184,000. The grant award amount mentioned above is not a guaranteed award amount.

## **Application Schedule**

The Rail Office will receive applications in the winter for fiscal year 2008 grants. The winter application is due six weeks from the INDOT web posting date. The focus of funding for the current fiscal year is upgrading the physical plant.

## **Submit one original and one copy to this address:**

Mr. Michael Riley,  
Rail Office Manager  
Indiana Department of Transportation  
100 N. Senate – Room N955  
Indianapolis, IN 46204-2220

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## Summary of Application Format

This current application version has these sections: Application Outline, Project Description, Management Information and Economic Indicators. Each item requested in each section should be submitted. If an application fails to include any requested item, the application will receive a zero for that section. A description and summary of the items to be included in each section of the application is listed in the paragraphs below. The application is also available on-line at <http://www.in.gov/indot/3585.htm>. **Do not** submit the application in a three-ring binder.

### Section I. – Application Outline – 2 pages

The application outline includes contact information, 286K pound capacity of rail line, track classification on proposed project segment, project type, total track miles, number of shippers, commodities shipped, proximity to a Class I railroad and total number of Indiana businesses served. The application outline will summarize the total project cost by item and the requested contribution by each participant including percentage of total. The application outline form should be printed and then completed, or it can be reproduced, provided it is completed exactly as it appears in this packet.

### Section II. – Project Description

Part one of the project description requires the applicant to prepare a narrative of the purpose and scope of the proposed project. Part two requires you to provide a description of the proposed project limits by milepost including a submission of a detailed project budget that includes each proposed item for purchase and its cost, the total project cost, the railroad contribution and requested INDOT contribution. This will be incorporated into the agreement as the “Project Scope” Exhibit.

### Section III. – Management Information

Please provide an organizational chart showing the management structure for your railroad.

### Section IV. – Existing Economic Indicators

This section describes economic development activity related to the project. The Indiana Economic Development Corporation and the Indiana Department of Agriculture will also review and provide feedback for the grant.

## Review Procedures

The applications will be assessed on these elements: (points are maximum amounts per scoring element)

Project Description	17 points
Existing Economic Indicators	35 points
INDOT's Long-Term Transportation Policy	9 points
Other Considerations	23 points

Those projects aimed at improving the physical plant of the rail line are eligible for higher point totals. Existing economic indicators include the annual rail cars moved per track mile on a three year average. INDOT's long term transportation policy includes whether the line

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connects with a Class I railroad and if the project is in an ozone non-attainment area. Other considerations include compliance with filing requests, the amount spent on routine track maintenance, and the railroad's safety performance.

### **Grant Monitoring**

INDOT will monitor all aspects of the program. The State of Indiana encourages the use of minority owned business enterprises (mbe) and women owned business enterprises (wbe) on state funded grants when possible. INDOT may, at its discretion, conduct scheduled or unscheduled site compliance reviews during or after the work is initiated for the approved project.

Applicants receiving a grant are required to retain work and material reports for two years after completion of the project. The applicant is required to provide INDOT with any and all project related reports which INDOT requests.

## APPLICATION OUTLINE

Applicant Name:

Mailing Address

Contact Person:

Contact Phone:

Fax:

Email:

Project Location: Milepost                      to                      Milepost

Total Miles Improved:

Project Type and Segment to be Improved (Check all that apply)

- ☐ tie/ballast replacement
  - ☐ rail replacement
  - ☐ bridge deck repair
  - ☐ rail spur or siding
  - ☐ combination project (please describe)
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☐ Other (please describe)

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Current 286K capacity

- ☐ Project improves a rail segment to 286K
  - ☐ < 1 mile                      ☐ 1.0 – 4.9 miles
  - ☐ 5-9.9 miles                      ☐ 10+ miles
- ☐ Line is already at 286K or project isn't 286K related

Number of Shippers on Line in Indiana and number of current employees on business served by shortline \_\_\_\_\_

Commodities moved by these Shippers

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Total Indiana track miles \_\_\_\_\_

FRA track classification on proposed project segment \_\_\_\_\_

Does your rail line connect with a Class I railroad? ☐ Yes ☐ No

MOW Track Budget \_\_\_\_\_

Applicant Name:

## APPLICATION OUTLINE

### Economic Development

1. Will the project generate new or additional business on the railroad?
2. Name(s), address and contact information of the new or additional business
3. Estimated increase of new employees associated with new or additional business

### Application Summary Example

<b><u>Total Project Cost</u></b>	<b>\$X</b>	
<b>RAILROAD CONTRIBUTION</b>	<b>\$Y</b>	<b>% of X</b>
<b>INDOT CONTRIBUTION</b>	<b>\$Z</b>	<b>% of X</b>